

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
ON APPEAL FROM THE EXAMINER TO THE BOARD
OF PATENT APPEALS AND INTERFERENCES**

In re Application of: Thomas H. Slaight et al.
U.S. Patent Serial No.: 09/737,697
Filing Date: December 14, 2000
Examiner: Debra F. Charles
Art Unit: 3624
Confirmation No.: 1400
Title: SOURCING SYSTEM AND METHOD

MAIL STOP APPEAL BRIEF - PATENTS

Commissioner for Patents
P.O. Box 1450
Alexandria, Virginia 22313-1450

Dear Sir:

REPLY BRIEF

Pursuant to 37 C.F.R. § 1.193, Appellants respectfully file this Reply Brief in response to the Examiner's Answer mailed March 24, 2006.

REMARKS

Appellants filed an Appeal Brief on April 12, 2005 and a Corrected Appeal Brief on August 8, 2005, explaining clearly and in detail why the rejection of Claims 1-3, 6-12, 14, and 16-32 under 35 U.S.C. § 102(b) as being anticipated by *Gindlesperger* is improper and should be reversed by the Board. First, Appellants demonstrated that *Gindlesperger*, as relied upon by the Examiner, does not disclose, teach, or suggest each and every limitation of Appellants' Claims 1-3, 6-12, 14, and 16-32. Second, Appellants demonstrated that the proposed *Gindlesperger-Adams* combination did not disclose, teach, or suggest each and every limitation of Appellants' Claims 4-5, 13, and 15. Finally, Appellants demonstrated that the proposed *Adams-Gindlesperger* combination is improper and is used by the Examiner to reconstruct the invention in hindsight. As explained in more detail below, the Examiner's final rejection of the claims under appeal cannot be properly maintained. Appellants respectfully request that the Board reverse these final rejections and instruct the Examiner to issue a Notice of Allowance of Claims 1-3, 6-12, 14, and 16-32.

I. The Examiner fails to address Appellants' arguments and incorrectly asserts that the references of record disclose the features of the claims.

A. Group 1 (Claims 1, 6-7, 10-11, 14, 18-20, 22- 23, 25, and 32)

In Appellants' Appeal Brief, Appellants demonstrated that *Gindlesperger* fails to disclose, teach, or suggest each and every element of Appellants' Claim 1. For example, Appellants demonstrated that *Gindlesperger* fails to disclose, teach, or suggest a "means for enabling each of a plurality of vendors to submit electronic vendor bids on at least two parameters associated with a product," as recited in Appellants' Claim 1. Specifically, Appellants showed that, according to *Gindlesperger*, a bid submitted using the disclosed bidding system merely "represents the transmitting vendor's price for the particular . . . goods or services requested." (*Gindlesperger*, Column 5, lines 22-24). As a result, only the vendor price in the vendor's bid is considered, and the award is given to the vendor having the "lowest represented vendor price." (*Gindlesperger*, Column 5, lines 24-27).

In the Examiner's Answer mailed March 2, 2006, the Examiner fails to address Appellants' arguments submitted in the Appeal Brief. Rather, the Examiner merely reproduces (word-for-word) the Examiner's previous arguments submitted in the Final Office Action mailed January 12, 2006. Specifically, the Examiner cites Col. 7, line 60 through Col. 8, line 2 of *Gindlesperger*, which states "the vendor's invitation for bid specifies the print information . . . so that each vendor will understand clearly all product, delivery, and other requirements for the print information or service that is being place out for *bids* by the buyer." (Examiner's Answer, pages 12). The Examiner further states:

The Examiner interprets this passage as identifying that multiple bids can be given, and such bids are determined based on product, delivery and other requirements. As such, the bids are submitted based on at least two parameters associated with a product, as presently claimed.

(Examiner's Answer, page 12). In making these statements, the Examiner has mischaracterized the disclosure of *Gindlesperger*.

For example, and as discussed above, *Gindlesperger* merely describes a vendor bid as "represent[ing] the transmitting vendor's price for the particular . . . goods or services requested." (*Gindlesperger*, Column 5, lines 22-24). Since only the price is considered in determining the winning bidder, *Gindlesperger* necessarily cannot be said to disclose, teach, or suggest "means for enabling each of a plurality of vendors to submit electronic vendor bids on at least two parameters associated with a product," as recited in Appellants' Claim 1. A single bid in *Gindlesperger* merely includes one price. Furthermore, *Gindlesperger* explicitly discloses that "knowing beforehand that the award will go to the lowest responsive and responsible bidder, each participating vendor will have an incentive to submit their lowest bid upfront, rather than hold back their lowest bid, as they would otherwise be inclined to do if the award was still going to be negotiated after bid opening." (Column 10, lines 3-8). Thus, *Gindlesperger* actually teaches away from allowing "multiple bids [to be] given," as proposed by the Examiner.

For these reasons, Appellants' position continues to be that *Gindlesperger* does not disclose, teach, or suggest "means for enabling each of a plurality of vendors to submit electronic vendor bids on at least two parameters associated with a product," as recited in Appellants' Claim 1.

In the Appeal Brief, Appellants also demonstrated that *Gindlesperger* fails to disclose, teach, or suggest a "means for calculating a total cost of the product to a purchaser for each vendor in response to the vendor bids, the total cost taking into account the at least two parameter associated with the product," as recited in Appellants' Claim 1. Specifically, Appellants again showed that a bid submitted using the bidding system of *Gindlesperger* merely "represents the transmitting vendor's price for the particular . . . goods or services requested." (*Gindlesperger*, Column 5, lines 22-24). Only the vendor price in the vendor's bid is considered, and the award is given to the vendor having the "lowest represented vendor price." (*Gindlesperger*, Column 5, lines 24-27). Thus, the *Gindlesperger* server merely considers the vendor prices submitted in the bids, picks the lowest, and transmits the identity of the lowest bidder to the buyer.

In the Examiner's Answer mailed March 2, 2006, the Examiner fails to address Appellants' arguments submitted in the Appeal Brief. Again, the Examiner cites Col. 7, line 65 through Col. 8, line 2 of *Gindlesperger* and quotes this portion as "enabling each vendor to prepare a more precise calculation of its responding bid B." As summarized in Appellants' Appeal Brief, the relevant portion of *Gindlesperger* states:

This arrangement ensures that the bids are comparable and that mistakes as to the requirements of the buyer are minimized, while enabling each vendor to prepare a more precise calculation of its responding bid.

(*Gindlesperger*, Column 7, line 65 through Column 8, line 2). Thus, the portion of *Gindlesperger* identified by the Examiner explicitly states that the **vendor** prepares the more precise calculation. This merely means that the vendor has the specific requirements of the buyer up front so that the vendor can submit a bid having a price that is more accurately calculated. The total cost of the price is included in the original submission of the bid by the vendor. Thus, there is no need to calculate a total cost using the *Gindlesperger* bidding

system once the bid is received from the vendor. Accordingly, Appellants respectfully submit that the portion cited does not support the Examiner's conclusion that *Gindlesperger* discloses a "means for calculating a total cost of the product to a purchaser for each vendor in response to the vendor bids, the total cost taking into account the at least two parameter associated with the product," as recited in Appellants' Claim 1.

The Examiner states the following in the Examiner's Answer mailed March 2, 2006:

The Examiner interprets *Gindlesperger* as disclosing such parameters input into the calculating means as disclosed in col. 1, line 50 - col. 2, line 50, where the reference indicates various different factors that play a role in determining the final price.

(Examiner's Answer, page 13). Again, the Examiner mischaracterizes the disclosure of *Gindlesperger*. While it is true that *Gindlesperger* discusses generally "elasticity in the so-called 'market' price of printing or other customized information product goods or services," *Gindlesperger* merely indicates that factors such as the level of service and quality desired, the labor and equipment required, the amount of time involved, cost-effectiveness, and scheduling effect the market price of goods. (Column 2, line 24-26). The cited portion does not negate the fact that the *Gindlesperger* bidding system merely allows a vendor to submit his price in the form of a bid such that the total cost of the price is included in the original bid as submitted by the vendor. Thus, there is no need to calculate a total cost using the *Gindlesperger* bidding system once the bid is received from the vendor. The factors described in *Gindlesperger* are merely considered by the vendor in preparation of the bid to "[enable] each vendor to prepare a more precise calculation of its responding bid. For at least these reasons, *Gindlesperger* fails to disclose "means for calculating a total cost of the product to a purchaser for each vendor in response to the vendor bids, the total cost taking into account the at least two parameter associated with the product," as recited in Appellants' Claim 1.

The Examiner also relies on *Gindlesperger* to reject independent Claims 11 and 25. Appellants respectfully submit that *Gindlesperger* does not disclose, teach, or suggest each and every element of Appellants' independent Claims 11 and 25. For example, Claim 11 recites "software stored on the computer readable storage medium and operable to receive

bids from a plurality of vendors, each bid comprising a plurality of parameters associated with at least one product, calculate the total cost of the at least one product to a purchaser for each vendor in response to the vendors' bids, the total cost taking into account the plurality of parameters associated with the at least one product, and output each of the vendors bids and the total cost of the product to the purchaser.” Claim 25 recites “receiving bids from a plurality of vendors, each bid comprising a plurality of parameters associated with at least one product, calculating, using a computer, the total cost of the at least one product to a purchaser for each vendor in response to the vendors' bids, the total cost taking into account the plurality of parameters associated with the at least one product, and outputting, using the computer, each of the vendors bids and the total cost of the product to the purchaser.” Thus, for reasons similar to those discussed above with regard to Claim 1, Appellants respectfully submit that *Gindlesperger* does not disclose, teach, or suggest each and every element as set forth in Appellants' independent Claims 11 and 25.

For at least these reasons, the final rejection of the independent Claims 1, 11, and 25 cannot properly be maintained and should be reversed. Claims 6-7 and 10 depend directly or indirectly from Claim 1. Claims 14, 18-20, and 22-23 depend directly or indirectly upon Claim 11. Claim 32 depends directly or indirectly upon Claim 25. Thus, for the same reasons that independent Claims 1, 11, and 25 are allowable, these dependent claims are also allowable. Appellants respectfully submit that these rejections are improper and should be reversed by the Board.

B. Group 2 (Claims 2-3, 16, 24, and 26-27)

In Appellants' Appeal Brief, Appellants demonstrated that dependent Claims 2-3, 16, 24, and 26-27 are allowable over the *Gindlesperger* reference. First, Appellants showed that Claims 2-3, 16, 24, and 26-27 each depend from an independent claim shown to be allowable above. Claims 2-3, 16, 24, and 26-27 are allowable for at least this reason.

Second, Appellants demonstrated that *Gindlesperger*, as relied upon by the Examiner in the Final Office Action, fails to disclose, teach, or suggest each and every element of Appellants' Claim 2-3, 16, 24, and 26-27. Specifically, Appellants demonstrated that *Gindlesperger* fails to disclose, teach, or suggest:

- that the bids “include a plurality of parameters for the product and the total cost calculating means determines the total cost of the product to the purchaser using a pre-determined total cost formula,” as recited in Claim 2;
- that “the total cost formula includes at least one pre-defined constant,” as recited in Claim 3 and similarly recited in Claim 27;
- that “the total cost calculated for each vendor uses a single formula for all vendors,” as recited in Claim 16;
- that the total cost formula is “defined for each product in an auction,” as recited in Claim 24; and
- that the total cost formula is “defined for the category of products in response to the plurality of parameters, as recited in Claim 26.

With respect to the above recited Claim limitations, Appellants noted that the portions (Column 7, line 60 through Column 8, line 2) of *Gindlesperger* cited in the Final Office Action for disclosure of the above-recited features and operations makes clear that it is the vendor’s invitation for bid that specifies the requirements of the buyer. As stated above, the *Gindlesperger* system sends invitations-for-bids only to those vendors who have been predetermined to meet the buyer’s criteria. Accordingly, “the print *buyer sets the parameters* for both vendor pool selection and for the bidding and award process.” (Column 9, lines 46-48). Because only those vendors who have been predetermined to meet the buyer’s criteria are invited to place bids, only the vendor price in the vendor’s bid is considered, and the award is given to the vendor having the lowest represented vendor price. (Column 5, lines 24-27). Accordingly, there is no calculation of a “total cost” with respect to each vendor’s bid. Certainly, there is no calculation of a “total cost” that incorporates the various features described in Claims 2-3, 16, 24, and 26-27.

The arguments made above are substantially the same as those made by Appellants in the Appeal Brief. The Examiner’s Answer mailed March 2, 2006, however, fails to address Appellants arguments. Rather, the Examiner merely reproduces (word-for-word) the Examiner’s previous arguments submitted in the Final Office Action mailed January 12, 2006. As such, the Examiner’s responding remarks are limited to the independent claims. As a result,

Appellants submit that the Final Office Action is deficient under § 707.07(f) of the M.P.E.P., which requires an Examiner to answer all material traversed by an Applicant. Specifically, that provision states:

Where the applicant traverses any rejection, the examiner should if he or she repeats the rejection, take note of the applicant's argument and answer the substance of it.

(M.P.E.P. § 707.07(f)). Because the claims are clearly patentable over the *Gindlesperger* reference and because the Examiner does not even contradict Appellants' arguments with respect to Claims 2-3, 16, 24, and 26-27, Appellants respectfully submit that the rejections of Claims 2-3, 16, 24, and 26-27 are improper and should be reversed by the Board.

C. Group 3 (Claims 8 and 21)

In Appellants' Appeal Brief, Appellants demonstrated that dependent Claims 8 and 21 are allowable over the *Gindlesperger* reference. First, Appellants showed that Claims 8 and 21 each depend from an independent claim shown to be allowable above. Claims 8 and 21 are allowable for at least this reason.

Second, Appellants demonstrated that *Gindlesperger*, as relied upon by the Examiner in the Final Office Action, fails to disclose, teach, or suggest each and every element of Appellants' Claim 8 and 21. Specifically, Claim 8 recites a communication means enabling "messages to be sent to the vendors regarding the status of bidding, ending time for the bidding, and extensions of the bidding." Claim 21 recites that the software is further operable to "provide a vendor with data about the status of an auction while the auction is in progress." In the Appeal Brief, Appellants noted that the *Gindlesperger* system sends invitations-for-bids only to those vendors who have been predetermined to meet the buyer's criteria. Accordingly, "the print *buyer sets the parameters* for both vendor pool selection and for the bidding and award process." (Column 9, lines 46-48). Because only those vendors who have been predetermined to meet the buyer's criteria are invited to place bids, only the vendor price in the vendor's bid is considered, and the award is given to the vendor having the lowest represented vendor price. (Column 5, lines 24-27). Accordingly, there is no calculation of a "total cost"

with respect to each vendor's bid. Certainly, there is no calculation of a "total cost" that incorporates the various features described in Claims 2-3, 16, 24, and 26-27.

Again, the arguments made above are substantially the same as those made by Appellants in the Appeal Brief. The Examiner's Answer mailed March 2, 2006, however, fails to address Appellants' arguments. Rather, the Examiner merely reproduces (word-for-word) the Examiner's previous arguments submitted in the Final Office Action mailed January 12, 2006. As such, the Examiner's responding remarks are limited to the independent claims. Accordingly, Appellants submit that the Final Office Action is deficient under § 707.07(f) of the M.P.E.P., which requires an Examiner to answer all material traversed by an Applicant. Because the claims are clearly patentable over the *Gindlesperger* reference and because the Examiner does not even contradict Appellants' arguments with respect to Claims 8 and 21, Appellants respectfully submit that the rejections of Claims 8 and 21 are improper and should be reversed by the Board.

D. Group 4 (Claim 9)

In Appellants' Appeal Brief, Appellants demonstrated that dependent Claim 9 is allowable over the *Gindlesperger* reference. First, Appellants showed that Claim 9 depends from Claim 11, which Appellants have shown to be allowable. Claim 9 is allowable for at least this reason.

Second, Appellants demonstrated that *Gindlesperger*, as relied upon by the Examiner in the Final Office Action, fails to disclose, teach, or suggest "means for calculating an amount of savings for the purchaser and means for communicating the savings to the purchaser." Specifically, Appellants noted in the Appeal Brief that the cited portion of *Gindlesperger* (Column 3, lines 30-37) merely identifies the need for "a large vendor pool to obtain the benefit of enhanced pricing competition, without imposing relatively high administrative costs or causing a loss of quality control." (Column 4, lines 38-43). The quoted portion does not any way disclose, teach, or suggest a "means for calculating an amount of savings for the purchaser and means for communicating the savings to the purchaser," as recited in Claim 9. Furthermore, and as discussed above in more detail, the *Gindlesperger* system discloses only that, in response to receiving "a plurality of responding bid data, each being from a

corresponding one of the plurality of vendors . . . and each representing the transmitting vendor's price for the particular . . . goods or services requested," the server "selects the responding bid data having the lowest represented vendor price." (Column 5, lines 18-25). The selected vendor is then identified to the buyer. (Column 5, lines 25-27). Accordingly, there is no disclosure in *Gindlesperger* of a "means for calculating an amount of savings for the purchaser and means for communicating the savings to the purchaser," as recited in Claim 9.

Again, the arguments made above are substantially the same as those made by Appellants in the Appeal Brief. The Examiner's Answer mailed March 2, 2006, however, fails to address Appellants' arguments. Rather, the Examiner merely reproduces (word-for-word) the Examiner's previous arguments submitted in the Final Office Action mailed January 12, 2006. As such, the Examiner's responding remarks are limited to the independent claims. Accordingly, Appellants submit that the Final Office Action is deficient under § 707.07(f) of the M.P.E.P., which requires an Examiner to answer all material traversed by an Applicant. Because the claims are clearly patentable over the *Gindlesperger* reference and because the Examiner does not even contradict Appellants' arguments with respect to Claim 9, Appellants respectfully submit that the rejections of Claim 9 is improper and should be reversed by the Board.

E. Group 5 (Claims 12 and 29-31)

In Appellants' Appeal Brief, Appellants demonstrated that dependent Claims 12 and 29-31 are allowable over the *Gindlesperger* reference. First, Appellants showed that Claims 12 and 29-31 each depend from an independent claim shown to be allowable above. Claims 12 and 29-31 are allowable for at least this reason.

Second, Appellants demonstrated that *Gindlesperger*, as relied upon by the Examiner in the Final Office Action, fails to disclose, teach, or suggest each and every element of Appellants' Claims 12 and 29-31. Specifically, Claim 12 recites that "the at least two parameters are selected from a group consisting of price, discount, delivery, installation, training, maintenance, the risks covered by warranty, and length of warranty." Claim 31 recites "defining at least two sub-categories for the category of products, and defining at least two parameters for each subcategory." In the Appeal Brief, Appellants noted that the cited portion

of *Gindlesperger* (Column 2, lines 24-36) merely discloses factors that may effect price elasticity. Although *Gindlesperger* discloses that these factors may include the level of service and quality desired, the labor and equipment required, the amount of time involved, engineering considerations, and delivery date, Appellants submit that the Examiner is again ignoring that the *Gindlesperger* system specifically requires that “the print *buyer sets the parameters* for both vendor pool selection and for the bidding and award process.” (Column 9, lines 46-48). Accordingly, resulting vendor bids are not submitted on multiple parameters. Instead, the vendor bids merely “represent the transmitting vendor’s price for the particular . . . goods or services requested.” (Column 5, lines 22-24) Accordingly, the vendor bids do not incorporate the various features described in Claims 12 and 29-31.

Again, the arguments made above are substantially the same as those made by Appellants in the Appeal Brief. The Examiner’s Answer mailed March 2, 2006, however, fails to address Appellants’ arguments. Rather, the Examiner merely reproduces (word-for-word) the Examiner’s previous arguments submitted in the Final Office Action mailed January 12, 2006. As such, the Examiner’s responding remarks are limited to the independent claims. Accordingly, Appellants submit that the Final Office Action is deficient under § 707.07(f) of the M.P.E.P., which requires an Examiner to answer all material traversed by an Applicant. Because the claims are clearly patentable over the *Gindlesperger* reference and because the Examiner does not even contradict Appellants’ arguments with respect to Claims 12 and 29-31, Appellants respectfully submit that the rejections of Claims 12 and 29-31 are improper and should be reversed by the Board.

F. Group 6 (Claim 17)

In Appellants’ Appeal Brief, Appellants demonstrated that dependent Claim 17 is allowable over the *Gindlesperger* reference. First, Appellants showed that Claim 17 depends from Claim 11, which Appellants have shown to be allowable. Claim 17 is allowable for at least this reason.

Second, Appellants demonstrated that *Gindlesperger*, as relied upon by the Examiner in the Final Office Action, fails to disclose, teach, or suggest that “the total cost calculated for each vendor uses a plurality of formulas, each vendor having one of the plurality of formulas

associated with it,” as recited in Claim 17. In the Appeal Brief, Appellants noted that the Examiner’s reliance on *Gindlesperger* seems to ignore the very fact that *Gindlesperger* specifically discloses that it is the vendor’s invitation for bid that specifies the requirements of the buyer. As stated above, the *Gindlesperger* system sends invitations-for-bids only to those vendors who have been predetermined to meet the buyer’s criteria. Accordingly, “the print *buyer sets the parameters* for both vendor pool selection and for the bidding and award process.” (Column 9, lines 46-48). Because only those vendors who have been predetermined to meet the buyer’s criteria are invited to place bids, only the vendor price in the vendor’s bid is considered, and the award is given to the vendor having the lowest represented vendor price. (Column 5, lines 24-27). In fact, *Gindlesperger* makes clear that the system merely inputs responding bids into the database and ranks them in order of price. (Abstract). Accordingly, there is no calculation of a “total cost for each vendor [using] a plurality of formulas, each vendor having one of the plurality of formulas associated with it,” described in Claim 17. By using a particular formula specified for a vendor, Appellants’ claim takes into account that different vendors have different costs. (Appellants Specification, page 14, lines 7-11). This feature is completely absent from the teachings of *Gindlesperger*.

Again, the arguments made above are substantially the same as those made by Appellants in the Appeal Brief. The Examiner’s Answer mailed March 2, 2006, however, fails to address Appellants’ arguments. Rather, the Examiner merely reproduces (word-for-word) the Examiner’s previous arguments submitted in the Final Office Action mailed January 12, 2006. As such, the Examiner’s responding remarks are limited to the independent claims. Accordingly, Appellants submit that the Final Office Action is deficient under § 707.07(f) of the M.P.E.P., which requires an Examiner to answer all material traversed by an Applicant. Because the claims are clearly patentable over the *Gindlesperger* reference and because the Examiner does not even contradict Appellants’ arguments with respect to Claim 17, Appellants respectfully submit that the rejections of Claim 17 is improper and should be reversed by the Board.

For at least these reasons, the *Gindlesperger* reference fails to support the anticipation rejection of dependent Claim 17. Claim 17 is therefore patentable over the *Gindlesperger* reference. Appellants respectfully submit that the rejection of Claim 17 is improper and should be reversed by the Board.

G. Group 7 (Claim 28)

In Appellants' Appeal Brief, Appellants demonstrated that dependent Claim 28 is allowable over the *Gindlesperger* reference. First, Appellants showed that Claim 28 depends from Claim 25, which Appellants have shown to be allowable. Claim 28 is allowable for at least this reason.

Second, Appellants demonstrated that *Gindlesperger*, as relied upon by the Examiner in the Final Office Action, fails to disclose, teach, or suggest that "the plurality of parameters includes price and non-price parameters," as recited in Claim 28. In the Appeal Brief, Appellants noted that the portion of *Gindlesperger* (Column 2, lines 24-36) relied upon by the Examiner merely discloses factors that may effect price elasticity. Although *Gindlesperger* discloses that these factors may include the level of service and quality desired, the labor and equipment required, the amount of time involved, engineering considerations, and delivery date, Appellants submit that the Examiner is again ignoring that the *Gindlesperger* system specifically requires that "the print *buyer sets the parameters* for both vendor pool selection and for the bidding and award process." (Column 9, lines 46-48). Accordingly, resulting vendor bids are not submitted on multiple parameters. Instead, the vendor bids merely "represent the transmitting vendor's price for the particular . . . goods or services requested." (Column 5, lines 22-24) Accordingly, the vendor bids of *Gindlesperger* do not incorporate "non-price parameters," as recited in Claim 28, which are then taken into account in calculating a "total cost," as recited in independent Claim 25 and incorporated into Claim 28 by its dependency on Claim 25.

Again, the arguments made above are substantially the same as those made by Appellants in the Appeal Brief. The Examiner's Answer mailed March 2, 2006, however, fails to address Appellants' arguments. Rather, the Examiner merely reproduces (word-for-word) the Examiner's previous arguments submitted in the Final Office Action mailed January 12,

2006. As such, the Examiner's responding remarks are limited to the independent claims. Accordingly, Appellants submit that the Final Office Action is deficient under § 707.07(f) of the M.P.E.P., which requires an Examiner to answer all material traversed by an Applicant. Because the claims are clearly patentable over the *Gindlesperger* reference and because the Examiner does not even contradict Appellants' arguments with respect to Claim 25, Appellants respectfully submit that the rejections of Claim 25 is improper and should be reversed by the Board.

H. Claims 4 and 13

In Appellants' Appeal Brief, Appellants demonstrated that dependent Claims 4 and 13 are allowable over the proposed *Gindlesperger-Adams* combination. First, Appellants showed that Claims 4 and 13 each depend from an independent claim shown to be allowable. Claims 4 and 13 are allowable for at least this reason.

Second, Appellants demonstrated that the proposed *Gindlesperger-Adams* combination, as relied upon by the Examiner in the Final Office Action, fails to disclose, teach, or suggest each and every element of Appellants' Claim 4 and 13. Specifically, Claim 4 recites "means for communicating a vendor bid having the best total cost for the product to the vendors without revealing the identification of the vendor with the best total cost to encourage competitive bidding by the other vendors." Claim 13 recites that the software is further operable to "send data, comprising a vendor bid having the best total cost for the product, to the vendors during the auction without revealing the identification of the vendor with the best total cost." In the Appeal Brief, Appellants noted that the *Adams* system, as relied upon specifically by the Examiner, merely discloses "comparing the price and quantity parameters of each incoming offer with the corresponding parameters of each offer on the complementary one of said lists" in a search for a match. (Abstract). Thus, a transaction is completed where a match is found. With respect to offers that are partially matched, *Adams* discloses "placing the untransacted portion of [the matched] offer on the corresponding one of said lists in a priority sequence." (Abstract.) Accordingly, any untransacted portion of an offer that remains after a match is made is placed back on the offer list so that a future match may be made. There is no disclosure, however, that the *Adams* system communicates "vendor bid having the best total cost for the product to the vendors . . . to encourage competitive bidding by the other vendors,"

as recited in Claim 4 and as suggested by the Examiner. Similarly, there is no disclosure in *Adams* that data, “comprising a vendor bid having the best total cost for the product,” is sent to the vendors during the auction, as recited in Claim 13.

Appellants also showed in the Appeal Brief that, for different reasons, both *Gindlesperger* and *Adams* actually teach away from a system that “encourages competitive bidding” between the vendors. Specifically, *Gindlesperger* discloses that an objective of the of the bidding system of *Gindlesperger* is that “each participating vendor will have an incentive to submit their lowest bid upfront, rather than hold back their lowest bid, as they would be inclined to do if the award was still going to be negotiated after bid opening.” (Column 10, lines 3-8). This incentive stems from the fact that the vendors “[know] beforehand that the award will go to the lowest responsive and responsible bidder.” (Column 10, lines 3-5). Thus, each vendor of the *Gindlesperger* system submits only one bid to be considered in determining the award. The bidding process of *Gindlesperger* is competitive only in the fact that a vendor’s one bid is compared against every other vendor’s one bid. The teachings of *Adams* are similarly contrary to a competitive bidding atmosphere. Specifically, *Adams* discloses that “[w]hen the originator of an offer enters into a negotiation with another subscriber, the preferred of this invention protects that offer by placing it in a hold status.” (Column 10, lines 37-39). “This ensures that the original offer can not be transacted by a third subscriber during the negotiation between the original two subscribers.” (Column 10, lines 39-42). Because *Gindlesperger* discloses that each vendor has only one opportunity to submit a bid and *Adams* discloses that an offer is placed on hold during the negotiation process, both *Gindlesperger* and *Adams* teach away from the features and operations recited in Claims 4 and 13.

Again, the arguments made above are substantially the same as those made by Appellants in the Appeal Brief. The Examiner’s Answer mailed March 2, 2006, however, fails to address Appellants’ arguments. Rather, the Examiner merely reproduces (word-for-word) the Examiner’s previous arguments submitted in the Final Office Action mailed January 12, 2006. As such, the Examiner’s responding remarks are limited to the independent claims. Accordingly, Appellants submit that the Final Office Action is deficient under § 707.07(f) of the M.P.E.P., which requires an Examiner to answer all material traversed by an Applicant.

Because the claims are clearly patentable over the proposed *Gindlesperger-Adams* combination and because the Examiner does not even contradict Appellants' arguments with respect to Claims 4 and 13, Appellants respectfully submit that the rejections of Claims 4 and 13 are improper and should be reversed by the Board.

I. Group 9 (Claims 5 and 15)

In Appellants' Appeal Brief, Appellants demonstrated that dependent Claims 5 and 15 are allowable over the proposed *Gindlesperger-Adams* combination. First, Appellants showed that Claims 5 and 15 each depend from an independent claim shown to be allowable. Claims 5 and 15 are allowable for at least this reason.

Second, Appellants demonstrated that the proposed *Gindlesperger-Adams* combination, as relied upon by the Examiner in the Final Office Action, fails to disclose, teach, or suggest each and every element of Appellants' Claim 5 and 15. Specifically, Claim 5 recites "means for enabling the purchaser to make at least one adjustment corresponding to at least one of the vendor bids which is used by the calculating means to determine the total cost of the product to the purchaser." Claim 15 recites that the software is further operable to "enable the purchaser to make at least one adjustment corresponding to at least one vendor bid which is used by the central auction management system to calculate the total cost of the product to the purchaser." In the Appeal Brief, Appellants noted that *Adams* merely discloses that an offered may be "altered in one of two ways." (Column 10, lines 44-48). In a first scenario, the *Adams* system may alter an offer "[i]f the quantity bought or sold is equal to the quantity of the original offer." (Column 10, lines 48-50). Specifically, "the offer is removed from the books." (Column 10, lines 48-50). Thus, if the offer is fulfilled completely, the automated system of *Adams* removes the offer from further consideration by the system. Conversely, and in the second scenario, the offer is kept in the book and adjusted to reflect the remaining quantity if the quantity transacted is less than the quantity of the original offer. (Column 10, lines 50-52). Stated differently, if some portion of the offer goes unfulfilled, the quantity is updated and the offer remains on the books. In neither of these scenarios, however, is the purchaser allowed to make the adjustment or is the adjustment taken into account in the total cost to the purchaser.

Again, the arguments made above are substantially the same as those made by Appellants in the Appeal Brief. The Examiner's Answer mailed March 2, 2006, however, fails to address Appellants' arguments. Rather, the Examiner merely reproduces (word-for-word) the Examiner's previous arguments submitted in the Final Office Action mailed January 12, 2006. As such, the Examiner's responding remarks are limited to the independent claims. Accordingly, Appellants submit that the Final Office Action is deficient under § 707.07(f) of the M.P.E.P., which requires an Examiner to answer all material traversed by an Applicant. Because the claims are clearly patentable over the proposed *Gindlesperger-Adams* combination and because the Examiner does not even contradict Appellants' arguments with respect to Claims 5 and 15, Appellants respectfully submit that the rejections of Claims 5 and 15 are improper and should be reversed by the Board.

II. The Examiner improperly combines *Gindlesperger* and *Adams* to reconstruct, in hindsight, Appellants' invention.

In the Appeal Brief (and throughout the prosecution of this case), Appellants explained why one of ordinary skill in the art would not be motivated to combine the references as proposed by the Examiner. (See Appeal Brief, pages 39-41). Specifically, Appellants showed that *Gindlesperger* actually teaches away from the proposed combination of references. For example, *Gindlesperger* discloses that "knowing beforehand that the award will go to the lowest responsive and responsible bidder each participating vendor will have an incentive to submit their lowest bid upfront, rather than hold back their lowest bid, as they would be inclined to do if the award was still going to be negotiated after bid opening." (Column 10, lines 3-8). Thus, each vendor of the *Gindlesperger* system submits only one bid to be considered in determining the award. As a result, the bidding process of *Gindlesperger* is competitive only in the fact that a vendor's one bid is compared against every other vendor's one bid, and *Gindlesperger* teaches away from a combination of *Gindlesperger* with any other reference(s) to result in a system that encourages competitive and repetitive bidding between vendors.

Appellants acknowledge that the suggestion or motivation to combine may be found "either in the references themselves or in the knowledge generally available to one of ordinary skill in the art." M.P.E.P. § 2143; *In re Fine*, 5 U.S.P.Q.2d 1596, 1600 (Fed. Cir.

1988). However, although evidence of a suggestion, teaching, or motivation to combine may flow from the prior art references themselves, the knowledge of one of ordinary skill in the art, or, in some cases, from the nature of the problem to be solved, the range of sources available does not diminish the requirement for actual evidence. The Examiner has made no findings as to the level of ordinary skill in the art or the nature of the problem to be solved. Rather, Appellants submit that in rejecting the claims, the Examiner merely attempts to identify the elements in a combination of references and give a conclusory statement that it would be obvious to combine the references. The Examiner has used a reference-by-reference, limitation-by-limitation analysis to combine the references to meet the limitations of Appellants' claims. Moreover, the Federal Circuit has determined that this approach is improper and that broad conclusory statements, such as the Examiner's, are not "evidence." *In re Dembiczak*, 175 F.3d 994, 999 (Fed. Cir. 1999).¹ Where the Examiner does not explain the "specific understanding or principle within the knowledge of a skilled artisan" that would motivate one with no knowledge of Appellants' claimed invention to make the combination, the Federal Circuit infers that the Examiner selected the references with the assistance of hindsight.

Again, the arguments made above are substantially the same as or similar to those made by Appellants in the Appeal Brief. The Examiner's Answer mailed March 2, 2006, however, fails to address Appellants' arguments. Rather, the Examiner merely reproduces (word-for-word) the Examiner's previous arguments submitted in the Final Office Action mailed January 12, 2006. As such, the Examiner's responding remarks are limited to the independent claims and do not discuss the propriety or impropriety of the proposed *Gindlesperger-Adams* combination. Accordingly, Appellants submit that the Final Office Action is deficient under § 707.07(f) of the M.P.E.P., which requires an Examiner to answer all material traversed by an Applicant. Because the proposed *Gindlesperger-Adams* combination is improper and because the Examiner does not even contradict Appellants' arguments with respect to the proposed *Gindlesperger-Adams* combination, Appellants respectfully request that the Board reverse these final rejections and instruct the Examiner to issue a Notice of Allowance of Appellants' Claims 4-5, 13, and 15.

¹ For a detailed discussion of *In re Dembiczak* and other recent Federal Circuit cases discussing the standard for combining references, see Appellants' Corrected Appeal Brief at pages 31-34.


CONCLUSION

Appellants have demonstrated that the present invention, as claimed, is clearly distinguishable over the prior art cited by the Examiner. Therefore, Appellants respectfully request the Board to reverse the final rejections and instruct the Examiner to issue a Notice of Allowance with respect to all pending claims.

Appellants hereby authorize the PTO to charge the filing fee of \$500.00 for this Brief in Support of an Appeal to Deposit Account No. 02-0384 of Baker Botts, L.L.P. Appellants believe that no other fees are due, however, the Commissioner is hereby authorized to charge any additional fee or credit any overpayment to Deposit Account No. 02-0384 of Baker Botts, L.L.P.

Respectfully submitted,

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